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ABSTRACT

Ethical dilemmas concerning faculty compensation are considered by a university president who served as a nonadministrative professor of law for 10 years. It is suggested that trustees, administrators, and board members have as much to be concerned about as do faculty members when compensation and ethical dilemmas are addressed. The fact that dilemmas and not clear-cut cases of ethics are involved is noted. It is proposed that administrators are not administering faculty compensation as well and fairly as they should. Administrators and trustees tolerate fuzzy job descriptions and permit outside work because they can justify low salaries by doing so. Although faculty members may pursue consulting or other similar pursuits in good faith, they may begin to neglect academic responsibilities. Confusion results when some departments arrange continuing education instruction as part of normal teaching loads and others permit overtime compensation. Applicable state laws, university rules and policies, and possibly professional codes of ethics might be followed to improve the faculty compensation situation. Other possible approaches are: better defining job descriptions and work loads; making codes, contracts, and compensation congruent; and undertaking constant discussion and exhortation to self-regulation by faculty members. (SW)

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ETHICAL AND ECONOMIC ISSUES IN ACADEME:
The Point of View of a University President

by

Paul Hardin

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ETHICAL AND ECONOMIC ISSUES IN ACADEME:
The Point of View of a University President

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Although I was a pure (non-administrative) professor of law for ten years, I am sure I was invited because of my experience as a university president. Therefore, I suppose I should make my comments from that point of view. No one else on the program seems to represent exactly that angle of vision. And I'll speak mainly of the "time" issues - "Are faculty members giving full value to their students and the institutions that pay them?"

First, I don't view this set of ethical problems judgmentally as a faculty shortcoming. Quite honestly, until I began to communicate with Bob Linnell and to read papers produced by his project, I saw faculty compensation as a very complex ethical, political, and economic challenge for deans and presidents - not as a crisis in faculty ethics. When I saw some faculty members getting extra pay for the same work done by others as part of the normal load, I worried about my responsibility to avoid inequity. When I saw Professor X drawing a larger salary than Professor Y and apparently moonlighting more and contributing less as a teacher and campus citizen, I worried about administrative responsibility either to justify or change such situations--and I did not tend to "blame" the higher salaried person for ethical insensitivity.

So I will choose as my first point that trustees and administrators (or boards of higher education and legislators in the case of public institutions) have to be as much concerned about the ethical dilemmas of faculty compensation as faculty members do--and should be as much concerned about ethical dilemmas as about economic perplexities. More on this later - under "solutions."

A second point, related to the first, is that compensation of university administrators often involves problems that are parallel, if not identical, to the ethical problems of faculty compensation. This is another reason for me to avoid a judgmental or "holier-than-thou" attitude at this conference.

Confessions have come into fashion in this conference, so I'll illustrate this second point by honest confessions from my own compensation practices. Years ago I established the practice of giving to my college or university all honoraria for speeches I made. Reasons for doing this seem obvious. First, almost all of my speaking invitations are ex officio, i.e., extended to me by virtue of the office I hold. Second, I think Drew really buys all of my time, and I know that preparing speeches, traveling to give them, and making speeches are time-consuming activities.

Now, it will interest you to know that I do not give to Drew the fees I receive for serving as a director of a local bank and a director of New Jersey Bell Telephone Co. The cynics among you will already be framing the pertinent ethical guideline: "If the amount involved in compensation for outside activities is small (honoraria run usually less than $1,000 per year and I'm overpaid at that), give it to the employing institution. If the amount is large, keep it to pay all of those family bills!" So - you see how hard it would be for me to be smug about all of this.

My next point is that the issues posed in this conference go beyond money and do not yield to simple analysis or solution. Turning over my honoraria to Drew doesn't end the ethical dilemmas attendant upon outside speaking. I would give $1,000 or so to the Drew Annual Fund each year even if I received no honoraria--so do I accept speaking engagements so that someone else helps me

satisfy my moral obligation to Drew? Furthermore, public speaking is more fun than, for example, making development calls. Am I using outside engagements as an excuse to avoid work that is more important to Drew and turning over the honoraria so that I'll have an easy conscience?

Now, let me illustrate ethical complexity by arguing that I'm really a good guy! Remember the directors fees? Partly because my trustees permit me to serve on those two boards, I turned down all salary increases from 1972 until this year---except one of 10% in 1976. So my salary has risen only once, and by only 10% that once, in seven years. Since 6-10% of my salary has been in the compensation pools each year, faculty and other administrators have benefitted by my salary freeze.

Furthermore, I accepted membership on two boards which seemed to offer only valuable associations for Drew (new credibility for Drew in the secular and business world) and no controversy (no South African involvement, no pollution). (I turned down Remington Arms whose president is a Drew alumnus and a close personal friend and whose annual director's fee is $10,000).

So I can take my own compensation history and prove with almost equal felicity that I am ethical or that I am unethical.

So I must bear in mind, as I think you must, that we are discussing dilemmas, not clear-cut cases of venality and ethical insensitivity. That point was made in another way at this conference when someone noted that some if not most faculty "moonlighting" has value to the university.

Having set the stage tolerantly, I hope--giving perhaps too much comfort to us all, let me now express my conviction that we are not administering faculty compensation as well and fairly as we should and can. We are creating situations of grave inequity and harm, and there is enough blame to go around!

Administrators and trustees tolerate fuzzy job descriptions and permit outside work because they can justify low salaries by doing so.

Faculty members slip into outside consulting or other similar pursuits in good faith, confident that this keeps them in touch with the outside world and enriches teaching and scholarship. Then they may begin "to neglect academic pursuits of potential great benefit to society in favor of short-term financial payoffs. . ." (in the words of the Ethical and Economic Issues Project Proposal).

Administrators and faculty inaugurate continuing education programs ostensibly to serve a public need and to offset the pending decline in traditional student population. Some departments arrange continuing education instruction as part of normal teaching loads; others permit overtime compensation; and chaos results:

(1) A program begun supposedly for altruistic reasons is now, frankly, looked upon as a vested opportunity to make more money;

(2) Some faculty members are being paid extra, while some are not;

(3) The continuing education program, sometimes at reduced tuition rates, is competing with the conventional daytime program, draining students and dollars from it; and

(4) The faculty W-2 forms bear no resemblance to faculty salary contracts, and the AAUP compensation scales and comparisons become all but meaningless.

In our first panel discussion I pointed out that we often refer to injury done to students, parents, and taxpayers in our fumbling approach to faculty compensation but that we less often refer to injury done to peers--to faculty members. Let me point to a situation which has disturbed me for many years. My distress was only intuitive until recently. Then Ladd and Lipset confirmed my worst fears and struck horror into my soul when they found the number of hours spent in teaching negatively related to both basic salary

and supplemental income!!

I think I have figured out (in part, at least) what is happening. In our overall faculty compensation picture we do the same thing over and over again. We play the market game redundantly. The professors whose disciplines customarily command the highest professorial salaries are the very people who have the most opportunity to receive grants and to do outside consulting. So we begin by paying the psychologist more than the classicist--and then watch approvingly as the psychologist does the counseling in his or her shopping center office two half days a week, administers two research grants which include summer salary, and teaches summer school or continuing education. The underpaid classicist teaches a full load, carries several committee assignments, is available to students in his or her office, in other ways makes up for the unavailability of the psychologist, and finds no summer school or continuing education market for Greek or Latin. Poor, overworked, demoralized. (I should point out that Ladd and Lipset don't see discipline as a determinant of salary differences. I do.)

One more horror story. Let me remind you of the New York Times story last winter which told of the professor who taught full-time and became tenured simultaneously at both Rutgers University and the C.W. Post Center of Long Island University. Both of those institutions should have terminal embarrassment, but I wonder if that could not also happen at other universities especially large ones where teaching loads are light and absences from campus are scarcely noticed!

So much for defining and illustrating some of our faculty compensation dilemmas! What about solutions?

It seems to me that all who have thought seriously about all of this arrive at about the same place.

I. There are no pat solutions. Each case has its own unique components,

and generalization is risky.

II. Calling attention to the ethics and conflict of interest dilemmas is surely useful.

III. We can help the situation somewhat by rules or codes:

A. State law can be applied where appropriate;

B. University rules and policies can be tightened or more clearly stated and uniformly enforced;

C. The professoriate should evolve a code of ethics as doctors, lawyers, engineers, and other professional groups have done.

IV. Contracts - Job descriptions and work loads should be better defined in appointment letters and collective bargaining agreements.

V. Make Codes, Contracts, and Compensation Congruent! Bring compensation into line with expectations that underlie codes and contracts. Don't prescribe conduct that you make impossible by unrealistically low compensation. No hypocrisy. Compensate enough for the "right" things. Pay for good teaching!

VI. Covenant - We need constant discussion and exhortation to self-regulation as members of a covenant community. We must live out the ideals of the academy and the ideals of a noble professional calling and make a deliberate and constant effort to resist the perfectly human tendency to decide questions on the basis of self-interest. We need self-conscious altruism - not boasting, but self-conscious in the sense that we deliberately prefer community interest to self-interest.

The last point would all sound hopelessly idealistic, except that I see it in operation in the professional ethics of many faculty members and administrators - some of the time. We just need to keep on believing in high ethical standards and exhorting and supporting each other in high standards - and hoping that the ratio of altruism to self-interest might increase.